

TECHNICAL COMMITTEE REPORT

To: Planning Commission

From: Technical Committee

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File Numbers: L070097 (Project) and L070107 (SEPA)

Recommended Action: Adopt the proposed amendments to Redmond's Comprehensive Plan and Redmond Community Development Guide, and adopt the proposed Overlake Master Plan and Implementation Strategy

Reasons the Proposal should be Adopted: The proposed amendments should be adopted because:

- They describe a coordinated approach to land use, transportation, parks and natural resources in the area and lay out a strategy to achieve the vision for Overlake.
- The updates clarify and enhance adopted policy and regulation concepts by simplifying or adding to them in ways that carry out the vision.
- The updates support a number of Comprehensive Plan goals including those related to community character, natural environment, land use, housing, economic vitality, transportation, parks and recreation, and utilities.
- Overlake has a significant residential capacity and these provisions will help encourage development of housing opportunities through a combination of incentives, requirements and investments.
- The updates contain a number of provisions to promote transit-supportive land uses near a planned Sound Transit light rail station in the Overlake Village portion of the neighborhood. These land uses would support the proposed extension of light rail across

Lake Washington from Downtown Seattle to Overlake, and ultimately to Downtown Redmond.

- The Transportation Master Plan identified studying transportation needs to support mixed use development in Overlake as a priority action. The transportation improvements identified in the proposed update will significantly improve the non-motorized environment, improve transit services, and aid in increasing multi-modal mobility.
- The proposed updates advance improved environmental quality and parks and open space in Overlake. A specific parks and open space system is identified for Overlake Village with trail linkages to parks and open space located within and near the neighborhood. Two regional stormwater management facilities are identified in the Overlake South Basin to improve the quality of surface water in this basin.
- The current planning horizon for the Overlake Neighborhood is coming to a close in 2012. The proposed updates extend the land use and transportation planning horizon out to 2030. These updates also serve as a first step towards updating the BROTS (Bel-Red/Overlake Transportation Study) Agreement with Bellevue which expires in 2012.

I. APPLICANT PROPOSAL

A. APPLICANT: City of Redmond

B. REASON FOR PROPOSAL

Reasons for refining and identifying actions to implement the Overlake Neighborhood Plan include the importance of Overlake in achieving Redmond's housing goals, planning for light rail transit, City Council interest in the economic vitality of Overlake, and preparation for long-range land use and transportation planning.

- The importance of Overlake in achieving Redmond's housing goals: Overlake is second only to the Downtown area in the amount of residential development that is projected to occur through 2022. As the amount of vacant and potentially re-developable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed-use zones of Overlake and Downtown in meeting its housing objectives.
- Planning for High Capacity Transit (HCT): Sound Transit's long range plan identifies light rail coming across Lake Washington on both I-90 and SR 520 and connecting to Downtown Bellevue and Redmond with two stations in the Overlake study area.

- Priority action in the Transportation Master Plan (TMP): While the TMP includes the transportation projects established through an agreement between Redmond and Bellevue, it also recognizes that more detailed study is needed to assess what transportation facilities and programs are needed to support the mixed-use and pedestrian supportive environment envisioned for Overlake Village.
- Preparation for long-range land use and transportation planning: In 2003, the City Council directed staff to begin re-evaluation of the 15.4 million square foot commercial growth limit for Overlake on or before January 31, 2008. This direction is consistent with City Council's interest in the continued economic vitality of Overlake.
- Additional opportunities for inter-jurisdictional cooperation: The City of Bellevue is examining future growth and transportation scenarios for the Bel-Red Corridor through 2030. Among the major study objectives are evaluating the role of this area as part of Bellevue's overall economic strategy, identifying a vision for future growth in the area, identifying needed transportation improvements, informing light rail alignment and station area decisions, and undertaking implementation actions.

II. RECOMMENDATION

The Technical Committee recommends amending the Comprehensive Plan and Community Development Guide, and adopting the proposed Overlake Master Plan and Implementation Strategy as shown in **Exhibit A**. In summary, this amendment would:

- Clarify and enhance the existing neighborhood policies and regulations. The intent of existing neighborhood policies and regulations has been largely retained in the proposed update and new concepts such as those described below have been added in an effort to help Overlake better achieve the existing neighborhood vision. As part of the effort to clarify the existing regulations, staff is proposing to revise the name of the existing zoning district from Retail Commercial to Overlake Village to better convey the vision and projected type of development for the area.
- Establish a Master Plan and Implementation Strategy for the Overlake Neighborhood. This document describes a coordinated approach to land use, transportation, parks and natural resources in the area and lays out a strategy to achieve the refined vision. It is intended to guide private development and public investments so that new projects fit the community's vision and accomplish public as well as private objectives. A list of implementation steps will guide the actions of the City in the short- and long-term.
- Promote housing throughout the neighborhood and in Overlake Village in particular. Residential floor area is a proposed requirement for any new development in Overlake Village and an incentive is proposed to encourage developments to include more residential uses than the minimum. Proposed policies and regulations support

residential uses in mixed-use or single-use structures in the Employment Area. An affordable housing requirement is proposed for new residential development with an accompanying bonus to minimize or eliminate cost.

- Improve access to parks and open spaces. The proposed update includes a parks plan specific to Overlake Village. This system would include parks, open spaces, plazas, trails or pathways. In addition, a minimum amount of usable open space would be required for residential uses within the neighborhood. A public outdoor plaza or open space is proposed as a requirement on certain key sites with an accompanying bonus to minimize or eliminate cost.
- Improve transportation choices. The proposed update includes a plan for improvements for vehicular, pedestrian and bicycle travel and for coordination with transit agencies to enhance regional and local transit and extend light rail transit.
- Improve environmental quality and encourage sustainable development. The proposed update includes the potential for development of two regional stormwater management facilities in Overlake Village in lieu of site-by-site treatment. In addition, the proposed update includes policy support to encourage low impact development and green building techniques and incentives are proposed to achieve those goals.
- Create incentives for the provision of amenities desired in Overlake Village. Bonuses are proposed for desired features such as the inclusion of underground parking, achievement of LEED or Built Green certification, inclusion of a higher amount of residential floor area than required, and inclusion of below market-rate commercial space for existing small retail businesses. Additional bonuses are proposed for the dedication of land for a major public facility such as a regional stormwater management facility.
- Consider allowance of additional height and floor area in Overlake Village. Currently, five floors are allowed of-right, with the ability to achieve six stories with Transfer of Development Rights (TDRs). The update proposes to allow the bonuses described above to be aggregated up to 8 stories. The bonus proposed for dedication of land for a major public facility would allow building heights to reach 9 stories on the sites where major public facilities are identified. Building height of structures fronting 152nd Avenue NE would be limited to 6 stories.
- Phase increases in commercial development capacity in the Employment Area (Overlake Business and Advanced Technology Zone). Increases in commercial development capacity in the Employment Area are proposed to be linked to progress on achieving housing goals within Overlake, progress on regional transportation and transit improvements, progress on achieving objectives related to use of alternatives to driving alone, or the adequacy of parks and emergency services in the area. The details of this proposal will be formulated as part of Phase 2 of this amendment which will follow in 2008.

- Included among additional updates are design standards for Overlake Village to supplement the Citywide design standards that apply, updates to allowed uses such as not allowing new drive-through or vehicle sales facilities in Overlake Village, enabling City Council to consider allowing utilities greater than 40 feet in height in Overlake Village, and allowing for Administrative Design Flexibility in the area.

III. BACKGROUND

The City of Redmond began work on the Overlake Neighborhood Plan Update and Implementation Project in the summer of 2005. The project has focused on refining and implementing the neighborhood plan City Council adopted in 1999. That update was informed by a citizen's advisory committee representing residents, businesses, and other stakeholders in the Overlake Neighborhood. This update has included a number of public outreach efforts including three rounds of stakeholder meetings and focus groups, a two-day design workshop, two open houses, two online comment opportunities, and a public comment period associated with the Draft Supplemental Environmental Impact Statement (SEIS) (**Exhibits B, E, and I**).

The primary study area for this project is shown in **Exhibit C**. It includes three areas: Overlake Village to the south, the Residential Area to the northeast, and the Employment Area in between. Together, these areas comprise 45 percent of the City's commercial floor area, are where over 40,000 people work, are home to several major corporations and headquarters, and contain more than 2,500 residences.

The update was initiated for a number of reasons detailed above in Section I.B, including the importance of Overlake in achieving Redmond's housing goals, planning for light rail transit, City Council interest in the economic vitality of Overlake, and preparation for long-range land use and transportation planning.

A portion of the Overlake Neighborhood is currently being designated as an Urban Center; **Exhibit D** shows the boundaries of this designation. Urban Centers are envisioned as areas of concentrated employment and housing, with direct service by high-capacity transit, and a wide range of other land uses such as retail, recreational, public facilities, parks and open space. They are designed to, among other goals, strengthen existing communities, promote housing opportunities close to employment, support development of an extensive transportation system to reduce dependency on automobiles, and maximize the benefit of public investment in infrastructure and services.

On April 9, 2007, King County amended the Countywide Planning Policies to designate Overlake as an Urban Center. These policies were ratified by the Redmond City Council on May 15, 2007. At that time, the Council also authorized that a formal request be made for the Puget Sound Regional Council to designate Overlake as a Regional Growth Center, the final step in the Urban Center designation process.

A feature that is noteworthy within Overlake is the number of relatively large parcels and holdings. One of those holdings is the former Yett Family Partnership parcels, which PS Business Parks acquired in March 2007. This includes the Overlake Business Center, along 152nd Avenue NE totaling 22 acres and a second property located at NE 40th and 148th Avenue NE, totaling 11 acres.

Prior to the change in ownership, City staff met in person and via conference call on several occasions with representatives of PS Business Parks and members of the Yett family to provide information on the existing zoning that was established in 1999, which uses are non-conforming, the neighborhood plan update, and Sound Transit's plan for extension of light rail transit. In January 2007, City staff mailed a letter (**Exhibit H**) detailing this information and indicating that existing businesses that filed a complete license application and paid all fees prior to the letter date (January 19, 2007) would be considered licensed uses and could continue to occupy their space; while a number of businesses did act to obtain a license, others did not. Despite the fact that the current zoning has been in place for 8 years, and that the new owners had knowledge of the zoning and existing illegal non-conforming uses prior to purchase, PS Business Parks has raised concerns regarding the allowed uses in the Retail Commercial zone; in particular, they believe that the permitted uses are too restrictive and that advanced technology, research and development, and business consulting services, among other uses, should be allowed today. An analysis of their proposal to expand the uses in the zone is provided below in Section IV.A: Issues and Alternatives.

IV. ALTERNATIVES

A. ISSUES CONSIDERED AND ALTERNATIVES

The primary issues considered in preparation of the proposed amendment, and the approach and alternatives evaluated are described below.

- Amount and phasing of development: The evaluation performed in the Draft SEIS is based in part on the amount of development projected for 2030 under two alternatives: No Action and Action. These alternatives reflect two differing ways for the City to invest in the future: under No Action, the City initiates investment in Overlake in response to private development; under the Action Alternative, City investments in infrastructure encourage and support higher levels of private redevelopment.

The alternatives were developed by analyzing residential market and economic conditions for the area, regional economic forecasts, existing land use and ownership patterns, the availability of vacant or underutilized land, development capacity under existing and alternative zoning scenarios, transportation conditions and potential improvements, and other considerations. Input on the alternatives was sought from the public, including people who own

or manage property in the area, employees, residents, the Greater Redmond Chamber of Commerce, and members of Redmond's boards and commissions.

The amount of residential development projected for each site was estimated based on examples of types of urban residential developments provided by Makers Architecture + Urban Design. These examples described various options of urban residential development including walk-up apartments, low-rise mixed-use, mid-rise mixed-use, and residential towers. The density of the type of development most appropriate for each site was applied to the site size and resulted in an estimate of residential units.

The amount of commercial development projected for each site was estimated using a range of floor area ratios. A number of properties within Overlake Village are developed to an FAR greater than that which is allowed today; this creates a disincentive for redevelopment as less commercial space would be allowed on these properties in the future. The proposed updates would allow redeveloping properties within Overlake Village to develop to the allowed FAR or to the existing commercial square footage, whichever is greater, to further encourage redevelopment of the area. In addition, the proposed update includes the opportunity for properties to qualify for a slightly higher FAR through a bonus program.

Under the No Action Alternative, the existing plan was assumed as remaining in place through 2030 with limited infrastructure improvements and no light rail. In this situation, few properties would likely redevelop.

The Action Alternative includes the proposed updates to the plan, regulations, and BROTS cap on commercial development, a significant amount of public and private investment in regional and local infrastructure, and light rail transit service. In this situation, a significantly larger number of properties would likely redevelop in a mixed-use fashion fitting with the vision for the area. The Action Alternative provides for the addition of approximately 5,800 dwellings and approximately 4.5 million square feet of new commercial space, a 29 percent above the existing BROTS cap on commercial development.

A signature element of the Action Alternative is the concept of phasing potential increases to the allowed commercial floor area ratio in the Employment Area over time. While the specifics of how each increment will be phased will be identified in Phase 2 of this plan update after joint work with the City of Bellevue, the policy direction and general phasing mechanisms are included in this proposed update. Increases in commercial development capacity are proposed to be linked to:

- Progress on achieving goals related to residential development in the neighborhood;
- Progress on regional transportation and transit improvements;

- Progress on achieving objectives related to use of alternatives to driving alone;
- Adequacy of parks, emergency services and other services needed for a daytime population.

These phasing mechanisms represent some of the major goals of the Overlake Neighborhood Plan update, particularly growth in residential development and improving transportation choices within the neighborhood.

- Stormwater management: Currently, the quality of stormwater runoff within the Overlake South Basin (generally the Overlake Village area) is poor due to few controls in the area. Two possible approaches to managing stormwater in this area were considered: site-by-site water quality and detention and regional water quality and detention.

Site-by-site water quality and detention generally requires that approximately 10 percent of a site be devoted to a stormwater vault that performs both functions. A vault may be covered in surface parking or open space but not with any permanent structure. Such a requirement can create challenges for developers by reducing the flexibility of site layout. Relative to regional stormwater ponds, individual vaults are more expensive to maintain.

The proposed regional stormwater management in the Overlake South Basin includes two large (2-4 acre) ponds. These ponds would perform both water quality and detention functions. They could be created as site amenities and integrated into the parks and open space system identified in Overlake Village. These facilities are planned to meet current stormwater regulations for 100 percent of the City roadway right of way and redevelopment of approximately 70 percent of the existing private land area consistent with redevelopment projections. This approach was supported by the public as appropriate for Overlake Village and is also similar to an approach being used in Downtown Redmond. Relative to site-by-site facilities, regional ponds are cheaper and more efficient to maintain.

- Light rail: The Overlake Neighborhood Plan Update and Implementation Project is concurrent with planning for Sound Transit Phase 2, which includes the extension of light rail from Downtown Seattle across Lake Washington via I-90 to Downtown Bellevue, Overlake, and potentially Downtown Redmond. Two station locations are identified within the Overlake Neighborhood: one in the vicinity of NE 24th Street and 152nd Avenue NE and a second near the Overlake Transit Station at NE 40th Street.

As the regional transit authority, the ultimate responsibility and decisions regarding siting the light rail alignment and facilities rests with Sound Transit. Redmond is working with Sound Transit to evaluate alternative alignments through the Overlake Village portion of the Overlake Neighborhood.

Currently, the alternative alignments consist of NE 20th Street to 152nd Avenue NE, NE 24th Street to 152nd Avenue NE, or behind Safeway from SR 520 to 152nd Avenue NE. One alignment previously considered was NE 20th Street to 151st Avenue NE; this alignment has been replaced with the NE 24th Street alignment due to anticipated large costs associated with property acquisition.

Decisions made through the proposed Overlake Neighborhood Plan update have the potential to affect the preferred light rail alignment, including land use and right-of-way decisions. Land use decisions can shape the ridership generated for light rail by focusing development near a future transit station. Right-of-way decisions associated with the creation of street typologies and sections can ease the accommodation of light rail by identifying the needed street right-of-way width early on. The proposed amendment supports a significant amount of development along 152nd Avenue NE north of NE 24th Street to support a light rail transit station in that vicinity and also identifies a right-of-way width along 152nd Avenue NE that would accommodate future light rail.

- **Neighborhood Amenities.** A number of public amenities are desired for Overlake Village to enhance its character and overall livability as a residential/mixed use neighborhood, including amenities such as public parks, open spaces and plazas, and two regional stormwater management facilities. The costs associated with these facilities include land acquisition, development and maintenance. There are three primary alternatives for developing these public facilities: require them as conditions of development, pursue them entirely with public funds, or create incentives for their provision.

The first alternative, requiring the provision of the facilities described above as a condition of development without any bonus to offset the cost, is unlikely to result in their development. This requirement would create a significant disincentive for property owners to redevelop as they would bear the land and development costs of the facilities. As land values and construction costs rise, it is unlikely that such a requirement would help Overlake Village achieve the vision.

Costs also play a role in making the second alternative, pursuing development of public facilities entirely with public funds, unlikely to succeed. With limited financial resources, it is unlikely that the City will be able to afford to purchase land and fund development and maintenance costs for these facilities in the short- or long-term.

The third alternative, to create incentives for the provision of the above-described public facilities, allows for both public and private goals to be met. The proposed update includes incentives that could be offered for the provision of the public facilities described above, as well as other amenities that the public has identified as being desired in Overlake. The proposed incentives

offer additional building height, additional FAR and sometimes both to developments. While the City would likely incur development and maintenance costs for at least a portion of the facilities that are created, land costs would be eliminated under this alternative.

- Building height and floor area: Currently, building height for structures with residential uses is limited to five stories in Overlake; with the purchase of TDRs, six stories may be achieved. Allowed floor area is based on whether a development is single- or mixed-use. The proposed update includes a number of ways in which building height and/or floor area could be increased, including provision of below grade parking, LEED Silver Certification or comparable Built Green Certification, and provision of residential floor area above proposed minimums. Offering additional building height and floor area as an incentive could induce more public amenities, including the large amenities described above, to be provided throughout Overlake Village. Potential adverse impacts of additional building height, such as impacts to pedestrian-scale environments and light, views and shadows, are proposed to be addressed through design regulations.

This bonus program could be applied in two ways: either by granting only one bonus floor for the provision of any of the amenities described above, or by allowing aggregation of bonuses so that one additional floor is allowed per each amenity provided up to a maximum of 8 total stories. The public supported the aggregation method of applying this bonus program (see **Exhibit E**).

A second level of bonuses is proposed for Overlake Village as well. These bonuses would be offered as incentive for the dedication of land for a major public facility and would apply only to the properties on which these facilities are identified. The bonus would allow for building heights of up to 9 stories, as well as increases in commercial and residential FARs.

- Allowed uses. The uses currently allowed in Overlake Village include a variety of retail, service and professional office uses that serve neighborhood residents, residents of other nearby areas, and nearby businesses, such as restaurants, travel agencies, personal services, physicians, finance and real estate, and others. The zoning encourages residential development. Advanced technology, software development, research and development and similar uses are not permitted and were not permitted in much of the area south of NE 31st/SR 520 in 1999.

During this project, staff reviewed the permitted uses in Overlake Village. Many of the permitted uses support the vision of Overlake Village as evolving into a true, urban residential/mixed-use place. The uses are largely pedestrian-generating or -oriented in nature to help increase the vibrancy and economic vitality of the area, and include a variety of retail, service and entertainment uses, as well as multi-family residential.

Advanced technology and business service uses such as those described above are currently permitted in three zones in the City – Business Park (BP), Manufacturing Park (MP), and Overlake Business and Advanced Technology (OBAT) – as well as within the Downtown Districts. These zones and districts make up a majority of the approximately 27 percent of Redmond that is zoned to accommodate commercial and mixed-uses, as shown in the table below.

Zone	Percentage of Commercial or Mixed-Use Zoned Land in Redmond
BP	18.6%
MP	25.7%
OBAT	24.6%
OV (Overlake Village)	5.0%
Downtown Districts	17.4%
Other (DDs, I, GC, NC)	8.7%

As the table above shows, advanced technology and business consulting services, two uses requested through public comment (see discussion of PS Business Park property in Section III above) to be included as permitted uses in the Overlake Village zone, are already permitted in approximately 86 percent of the commercial or mixed-use zones in the City. High technology and research and development uses are also permitted in a portion of other nonresidential zones in the City. Allowing these uses in Overlake Village (only 5 percent of Redmond’s commercially or mixed-use zoned land) would add pressure to one of few areas that does not allow advanced technology, research and development, and similar business consulting services.

Expanding the allowed uses in Overlake Village to permit these businesses is unnecessary and could further delay redevelopment of the area and achievement of the vision. Allowing such uses to locate in this area as of right would create “going concerns” in the long-term and further delay the addition of residential uses, a key concept in the long-term vision for Overlake. These uses were intentionally included in the Overlake Business and Advanced Technology zone to focus them in this location and not permitted in the Retail Commercial zone. Over the past 15 years, job opportunities in Redmond have grown significantly but housing opportunities have not kept pace.

An alternative that staff is proposing is to allow expansion of permitted uses as part of the incentive program. Allowing additional uses in this case would not hinder the achievement of the vision for Overlake Village as a minimum amount of residential is required for any redevelopment that occurs. Additional uses such as advanced technology or business consulting services could locate in upper story offices on redeveloped sites along 152nd Avenue NE and anywhere within buildings located elsewhere in Overlake Village.

Updates that staff is proposing to the permitted uses chart include:

- Consolidating the use chart in a manner similar to the Downtown Districts.
- For Overlake Village, not allowing new drive-through facilities, vehicle fuel sales, vehicle sales or rentals, or stand alone commercial parking structures to support the evolution of the area to a more pedestrian-oriented, compact urban development pattern.
- In the Employment Area (Overlake Business and Advanced Technology zoning), updating the regulations regarding convenience retail and service uses to differentiate convenience uses limited to employee use versus those open to the public.
- Adding regional utilities 40 feet in height or greater as a conditional use to enable the City Council to consider allowing this type of facility within the neighborhood. This change is intended to allow future consideration of locating a water storage tank in the area.

B. COMPARISON WITH OTHER COMMUNITIES, APPROACHES

In general, there is a growing trend in the central Puget Sound region for cities to identify areas where mixed-use development is desirable and then to draft specific plans that include significant amounts of public investment to achieve the mixed-use vision. Examples of cities that have recently been through or are going through a similar process to this include Burien, Mill Creek, Monroe, Kent, Lynnwood, and Mercer Island. The Master Plan and Implementation Strategy contained in Exhibit A is an example of the type of specific plan these cities have used to guide public investments in their urban areas.

A similar planning effort is also underway in Bellevue for the neighboring Bel-Red Corridor. Currently an area that is largely a home to light industrial and other commercial uses, the preliminary preferred alternative includes three mixed-use nodes, two of which are targeted to include housing, as well as several other pockets of residential uses. The preliminary preferred alternative also includes plans for parks and open space, light rail transit, non-motorized and roadway improvements.

The two cities continue to work together through both of these planning processes. Initial work has been done on transportation modeling of traffic conditions in 2030 using the land use projections for both neighborhoods as well as proposed transportation network improvements.

V. ANALYSIS

A. EXISTING CONDITIONS

A summary of land use, transportation and other existing issues is provided below. Additional information on existing conditions can be found in **Exhibits F and G**, the existing conditions report and supplement prepared earlier for this project.

LAND USE

The primary study area for this project is shown in **Exhibit C**. It includes three subareas: Overlake Village, Employment Area, and the Residential Area. The Residential Area, in the northeast portion of the neighborhood, is made up primarily of single-family residential developments. This area also contains a majority of the neighborhood's park land and vacant parcels, many of which contain critical areas or steep slopes. Business parks and office uses dominate the Employment Area. This portion of the neighborhood also contains a few large vacant parcels, some institutional uses, a transit center, and a minimal amount of parks and open space. Retail is concentrated in Overlake Village, in addition to a business park and offices, a park and ride, a small amount of multi-family development, and the Group Health Eastside Hospital, an institutional use.

The Bel-Red/Overlake Transportation Study (BROTS) Agreement signed by Bellevue and Redmond in 1999 caps commercial development in Overlake at 15.4 million square feet through 2012. A similar cap of 12.2 million square feet is in place for Bellevue's Bel-Red Corridor. This cap was created to mitigate the transportation impacts of growth and to maintain established LOS standards for the larger area. Currently, the Overlake neighborhood is within 100,000 square feet of reaching the commercial development cap. This includes existing commercial development, projects that are in the pipeline, and the square feet allocated in the Safeco, Microsoft, and pending Nintendo development agreements.

A number of public parks, open space and recreation facilities are located near the northern boundary of the neighborhood, including Redmond West Wetlands Park, Westside Neighborhood Park, and the Bridle Crest Trail Site; Cascade View Neighborhood Park is located on NE 40th Street. Two trails run through the neighborhood: the SR 520 Trail which runs north-south along the highway, and the Bridle Crest Trail which runs east-west along the northern neighborhood boundary.

Public facilities located within the Overlake Neighborhood include police and fire stations, a hospital, and water and sewer pipes; no public schools are located within the neighborhood. A police substation is located at the Overlake Transit Center at NE 40th Street and 156th Avenue NE. The Overlake Fire Station (Station #12) is sited along 148th Avenue NE. The City is currently constructing phases 2 and 3 of a 3-phased sewer trunk replacement in the Overlake Village area. The trunk will be fully operational in 2007 and will increase the capacity to meet future flows in the basin. Future additional water storage will be needed in the Overlake/Viewpoint service area.

TRANSPORTATION

Overlake is adjacent to State Route (SR) 520 connecting Seattle and Redmond. On- and off-ramps to SR 520 are located at 148th Avenue NE and NE 40th and NE 51st Streets. Major arterials include NE 40th Street, 156th Avenue NE, NE 24th Street, and 148th Avenue NE. Minor and collector arterials make up the remainder of the roadway system, although there are some private streets in the Employment Area.

King County Metro, Community Transit (Snohomish County) and Sound Transit currently provide bus service within Overlake. King County Metro provides all of the local and regional service. All three transit agencies provide regional express service to other places within the metropolitan area.

Local transit service offers connections to major destinations in Redmond. All five routes make connections at either the Overlake Park and Ride or the Overlake Transit Center at NE 40th Street. Regional transit service offers connections to regional destinations in the central Puget Sound region. All six routes have 45 minute or less headways during the peak period and make connections at either the Overlake Park and Ride or the Overlake Transit Center. Regional express transit service offers connections to urban centers, town centers and other destinations in the Puget Sound region. All 10 of these routes have 30 minute or less headways during the peak period.

Project consultants conducted an inventory of existing sidewalks during the summer of 2006. Gaps in the sidewalk system include missing sections along 148th Avenue NE, Bel-Red Road, 152nd Avenue NE, West Lake Sammamish Parkway, and NE 51st Street. Project consultants also conducted an inventory of bicycle facilities including bike lanes and trails and found that overall, bicycle facilities are lacking within Overlake. The neighborhood is served by two bicycle trails: the SR 520 trail, and the Sammamish River Trail. **Exhibit G** contains more information on the sidewalk and bicycle facility inventories.

A majority of people who work in Overlake get there by driving alone (86.3%). Of those employees who do not drive alone, 8.2% use an HOV (high occupancy vehicle) method (carpool, vanpool), 3.2% use transit, 1.4% bike to work, and slightly less than 1% walk. Employees who drive alone tend to live relatively far away from Overlake or in areas that have poor transit service. Carpoolers tend to form in areas where transit service is not convenient, generally in areas that are not on a main spine of transit coverage. Transit riders are highest in denser areas and/or those that have good transit service, such as Downtown Seattle, the University District, Capital Hill, and Northgate.

A majority of people who live in Overlake drive alone to work (79.7%). Of those residents who do not drive alone, 6.8% use an HOV method (carpool, vanpool), 6.3% use transit, 3.5% bike to work, and 3.8% walk. Overlake's percentage of non-motorized trips is approximately double that of Redmond's overall: 7.3% in Overlake versus 3.6% in Redmond.

OTHER ISSUES

The Microsoft Development Agreement, signed in 2005 allows for development of approximately 2.2 million square feet of gross floor area on the Microsoft campuses over the next 20 years. Microsoft is likely to add that space in a much shorter amount of time, likely over the next 5 to 7 years. The agreement also contains funding for numerous transportation projects, the sewer trunk replacement described briefly below, and a study of the Bel-Red stormwater drainage basin. The company has also agreed to advocate for Redmond in regional transit and transportation discussions.

The Group Health Eastside Hospital is located in Overlake Village between 152nd and 156th Avenues NE. In 2008, Group Health will relocate its inpatient services to a new facility at the Overlake Hospital campus near Downtown Bellevue; a new clinic facility will be constructed in Downtown Redmond. Group Health has proposed an amendment to revise the Overlake Design District regulations to focus on future opportunities to achieve a compact, mixed-use development on the site which could include a substantial amount of residential uses, as well as employment, retail and public recreational opportunities served by transit. The Group Health proposal is going forward on a parallel track to the Overlake Neighborhood Plan amendment.

B. COMPLIANCE WITH CRITERIA FOR AMENDMENTS

Redmond Comprehensive Plan Policies PI-16, LU-24 and LU-9 direct the City to take several considerations, as applicable, into account as part of decisions on proposed amendments to the Comprehensive Plan and Community Development Guide.

Items 1 through 6 apply to all proposed amendments. Items 7 through 10 apply when proposed amendments concern allowed land uses or densities, such as proposed amendments to the Land Use Plan Map, land use designations, allowed land uses, or zoning map.

The following is an analysis of how this proposal complies with the requirements for amendments.

1. Consistency with Growth Management Act (GMA), State of Washington Department of Community Trade and Economic Development Procedural Criteria, VISION 2020 or its successor, and the King County Countywide Planning Policies.

The updates to the Overlake Neighborhood Plan directly support the goals of the GMA, VISION 2020, and the King County Countywide Planning Policies in terms of supporting and encouraging compact, sustainable, mixed-use development within an established urban area. The proposed updates directly support a number of GMA, VISION 2020, and King County goals including:

- Encouraging efficient multimodal transportation systems;
- Encouraging affordable housing and promoting housing variety;
- Encouraging economic development consistent with Redmond's Comprehensive Plan;

- Enhancing recreational opportunities and access to parks and recreation facilities; and,
- Enhancing the water quality of the neighborhood.

2. Consistency with Redmond’s Comprehensive Plan, including the following sections as applicable:

a. Consistency with the goals contained in the Goals, Vision and Framework Policy Element.

The implementation and plan updates are consistent with the goals of the Goals, Vision and Framework Policy element, including the broad goal of supporting vibrant concentrations of retail, office, service, residential, and recreational activity in Downtown and Overlake. The updates will facilitate implementation of the vision for Overlake and are thus crucial to supporting this goal. The update is also consistent with a number of framework policies in the following ways:

- FW-9: promotes a land use pattern that uses land, services and facilities efficiently and encourages a mix of housing and jobs.
- FW-10: promotes a land use pattern that includes a variety of housing, encourages mixed-use development, and enhances the parks system.
- FW-12: promotes development that encourages people to use alternative modes of transportation.
- FW-14: promotes development of new housing opportunities that could allow people to live close to work.
- FW-16: promotes a strong and diverse economy and tax base that provides a variety of job opportunities.
- FW-19: strengthens an existing neighborhood by enhancing the community character and providing for growth in residences, businesses, and recreational opportunities.
- FW-24: supports Overlake Urban Center by clarifying and refining policies and regulations to facilitate achievement of the neighborhood vision of a vibrant, urban, mixed-use community.
- FW-25: identifies investments to address transportation issues and enhance the green character of the neighborhood.
- FW-26: creates a park plan specific to Overlake Village to promote the City’s vibrant system of park facilities.
- FW-31: develops strong multi-modal connections for pedestrians, bicyclists, transit users, and drivers within Overlake and to nearby areas.
- FW-32: identifies a significant number of investments in non-motorized facilities to promote mobility choices.
- FW-34: enhances the green character of Overlake by identifying additional streetscape improvements, park and open space improvements, and regional stormwater management facilities.
- FW-36: enhances the identity of Overlake Village with supplemental design requirements.

- FW-38: promotes small and local businesses through incentives for their retention after redevelopment.
- FW-39: provides additional gathering places within the City through the creation of a large public park for the Overlake community.

b. Consistency with the preferred land use pattern as described in the Land Use Element.

The plan update promotes the vision of Overlake as a place that is attractive and safe to live, work, shop and play in both the Overlake Village and Employment Area. The proposed policies provide support for new mixed-use and transit-oriented development that enhances the character of the neighborhood and that promotes alternative forms of transportation. Proposed regulations offer incentives for the provision of new public amenities such as parks and open spaces, regional stormwater management facilities, and sustainable development. The proposed requirement for a minimum amount of housing in any new development in Overlake Village strengthens the City's commitment to creating additional housing opportunities in Overlake.

c. Consistency with Redmond's community character objectives as described in the Community Character/Historic Preservation Element or elsewhere in the Comprehensive Plan.

The proposed updates to the Overlake Neighborhood Plan are consistent with the Community Character/Historic Preservation Element as follows:

- CC-3: supports enhancing the character of Overlake as distinct from Downtown and promoting an identity unique to the Overlake Village area.
- CC-6: supports the development of informal gathering places by encouraging public plazas or open spaces to be located in new developments.
- CC-9: supports the placement of public art throughout Overlake to enhance the area's sense of place.
- CC-12: identifies non-motorized linkages between parks and open spaces as necessary for the success of the Overlake Village park system.
- CC-13: supports the identification of gateways into the Overlake neighborhood and the City of Redmond at its southernmost border.
- CC-18: supplements Citywide design standards that are likely to have a particularly strong impact in Overlake.
- CC-21: enhances the green character of Redmond through the creation of regional stormwater management facilities, identification of streetscape improvements, and promotion of sustainable development practices.

d. Consistency with other sections as applicable, including the Natural Environment, Housing, Economic Vitality, Transportation, and Utilities Elements of the Comprehensive Plan.

Policy NE-61 in the Natural Environment element calls for maintaining and improving surface water quality—the development of regional stormwater

management facilities in Overlake would eliminate the need for individual detention facilities at most redevelopment project sites and reduce the size of water quality facilities required. The identification of regional stormwater management facilities also supports Utilities policies UT-39 (evaluate the feasibility of such facilities) and UT-42 (allow stormwater facilities to count towards open space needs).

The proposed updates call for requiring 10 percent of units in new residential developments to be affordable to households earning 80 percent of the King County median income while offering a bonus of additional floor area to offset the costs. This supports Housing policy HO-10: promote a mix of housing for all income levels and extends Redmond's existing inclusionary housing program to Overlake.

Overlake provides a wide range of opportunities for businesses to locate both in the Employment Area and in Overlake Village. The focus in Overlake Village on businesses that support daily need of residents and employees supports Economic Vitality policy EV-1.

The updates to the plan support the many goals of the Transportation Element of the Comprehensive Plan and the Transportation Master Plan by supporting multi-modal mobility through significant investments in non-motorized facilities and by identifying projects on which to coordinate with regional transit providers, and by encouraging the use of transportation demand and parking management measures to further increase the use of alternative modes of transportation.

3. Potential general impacts to the natural environment, such as impacts to critical areas and other natural resources.

Potential general impacts to the natural environment are positive. Currently, a majority of the surface water in Overlake goes untreated and has an adverse impact on streams within Bellevue, where the water flows. The updated plan has identified the potential for two regional stormwater management facilities that could treat up to 70 percent of the private stormwater within the area and 100 percent of the public stormwater leading to significant improvements in the quality of surface water within the Overlake south Basin.

The air quality analysis described in the Draft SEIS (**Exhibit B**) finds that future air quality within Overlake would not exceed federal standards and that there could potentially be an improvement in air quality due to the use of cleaner fuels and less polluting engines.

Few, if any, critical areas exist within the Employment Area and Overlake Village where the majority of future development or redevelopment is projected to take place.

4. Potential general impacts to the capacity of public facilities and services. For land use related amendments, whether public facilities and services can be provided cost-effectively and adequately at the proposed density/intensity.

The proposed plan update identifies a number of improvements to the transportation system to ensure that it can accommodate the projected development associated with the updated plan—these improvements include those for roadways and intersections, transit, pedestrian and bicycle facilities, and regional transportation corridors.

The City is currently constructing phases 2 and 3 of a 3-phased sewer trunk replacement in the Overlake South basin. The trunk will be fully operational this spring. The improvements will increase the capacity to meet future flows in the basin. If additional capacity is needed in the future, the flows could be split through the Overlake South basin with the construction of a parallel pipe.

Few changes are currently planned for the existing water supply system in the Overlake/Viewpoint service area, although a storage shortfall has been identified. This issue will be further addressed in a future update to the Water System Plan.

5. Potential general economic impacts, such as impacts for business, residents, property owners, or City Government.

In the long term, the proposed updates will likely strengthen the economic vitality of Overlake by creating a vibrant place that is active during the morning, daytime and evening. The addition of housing opportunities will allow for more people to live in Overlake and potentially allow for more people to live close to where they work. Property owners are likely to benefit if they choose to redevelop their properties to higher and better uses.

Although some existing businesses may face challenges due to redevelopment of their properties, the proposed update includes an incentive for property owners to help retain existing retail and small businesses by offering below-market rental rates in new development projects.

In a letter to the City (**Exhibit H**), PS Business Parks commented that the current Retail Commercial (Overlake Village) zoning, which does not permit advanced technology or research and development uses, negatively impacts their operations by limiting the tenants that can legally locate there. They suggest that allowing additional uses in this area would allow them to be more financially successful and therefore more able to redevelop in the future. As described above, allowing additional uses on this property or others would only create “going concerns” for property owners and result in further delays in decisions to redevelop which therefore would result in further delay of achievement of the vision. To address the market issue of the demand by advanced technology and supportive businesses to locate in this area, the update proposes to offer these uses as part of the incentive program for desired neighborhood amenities.

6. **For issues that have been considered within the last four annual updates, whether there has been a change in circumstances that makes the proposed amendment appropriate or whether the amendment is needed to remedy a mistake.**

N/A

The following items apply when proposed amendments concern allowed land uses or densities, such as proposed amendments to the Land Use Plan Map, land use designations, allowed land uses, or zoning map.

The update proposes allowing additional height above six stories in the Overlake Village area of the neighborhood. Some incentives offered for the provision of certain amenities in Overlake Village allow for increased commercial and/or residential floor area ratios. The answers below relate to these issues.

7. **General suitability of the area for the proposed land use or density, taking into account considerations such as adjacent land uses and the surrounding development pattern, and the zoning standards under the potential zoning classifications.**

Increases in building height or floor area are, with one exception, only possible through the proposed incentive program for the Overlake Village. The only exception would be allowing properties that exceed the current FAR to retain an allowance for the total amount of commercial floor area existing at the time of redevelopment.

Buildings up to eight stories are generally suitable in the Overlake Village area, which is currently commercially developed and not directly adjacent to single-family residential neighborhoods. The building height limit along 152nd Avenue NE would remain six stories to protect the pedestrian environment along that key corridor.

A few key sites would be able to achieve up to nine story buildings for provision of significant public investments such as a regional stormwater management facility. This bonus incentive is necessary to offset the cost of land for these facilities. The building height limit along 152nd Avenue NE of 6 stories would also apply to these sites.

The proposed increase in commercial floor area is generally suitable to the Overlake Village area which is currently commercially developed—such an increase would be relatively minor but would help to offset the costs of providing publicly desired amenities. An increase in residential floor area associated with the provision of certain public amenities is appropriate in Overlake Village, where housing has been emphasized since the adoption of the Overlake Neighborhood Plan in 1999.

8. **Whether the proposed land use designation, zoning, or uses are compatible with nearby land use designations, zoning or uses. Whether there are opportunities to achieve compatibility with surrounding land uses through design or through separation by topography or buffers.**

As mentioned above, the additional height offered for public incentives is generally compatible with nearby land uses and development which is primarily commercial. In

the City of Bellevue, the properties adjoining Overlake Village are primarily zoned Commercial and a small amount of Office. Overlake Village is not directly adjacent to single-family residential neighborhoods and would not have direct negative impacts on those residential uses.

9. Whether development will be directed away from environmentally critical areas and other important natural resources.

No critical areas or other natural resources exist within Overlake Village, therefore additional height or commercial or residential square footage would not affect such facilities.

10. If the amendment proposes a change in allowed uses or densities in an area:

a. The need and demand for the land uses that would be allowed and whether the change would result in the loss of capacity to accommodate other needed land uses, especially whether the proposed amendment complies with policy HO-16, the City's policy of no-net loss of housing capacity;

Additional height and floor area are proposed as incentives to help offset the cost of providing desired public amenities. In some cases, such as the public plazas or regional stormwater management facilities, the provision of such amenities would likely reduce the developable land on a property and would otherwise result in a loss of capacity for residential or commercial development. The allowance of additional residential floor area and associated height increases avoids this loss.

b. Implications of the proposed amendment for the balance between the amount and type of employment in Redmond and the amount and type of housing in Redmond.

Additional building height and residential floor area could help to improve the jobs/housing balance of the Overlake neighborhood by promoting the development of residential uses. The slight increases to commercial floor area that are proposed as bonuses would not negatively impact this balance.

C. RELATIONSHIP TO PENDING AMENDMENTS IN THE 2006-07 COMPREHENSIVE PLAN PACKAGE

This amendment is related to the Group Health request for Amendment of the Overlake Design District regulations. The Overlake Design District makes up a portion of the Overlake Village discussed in the neighborhood plan but maintains different zoning due to the location of Group Health's Eastside Hospital. The amendment is proposed to focus on future opportunities to achieve a compact, mixed-use development on the site which can include substantial residential development, as well as employment, retail and public recreational opportunities served by transit.

VI. AUTHORITY AND ENVIRONMENTAL, PUBLIC AND AGENCY REVIEW

A. Amendment Process

RCDG Sections 20F.30.15 and 20F.30.55 require that amendments to the Comprehensive Plan or Community Development Guide (except zoning map amendments consistent with the Comprehensive Plan) be reviewed under the Type VI process. Under this process, the Planning Commission conducts a study session(s), an open record hearing(s) on the proposed amendment, and makes a recommendation to the City Council. The City Council is the decision-making body for this process.

B. Subject Matter Jurisdiction

The Redmond Planning Commission and the Redmond City Council have subject matter jurisdiction to hear and decide whether to adopt the proposed Development Guide Amendment.

C. Washington State Environmental Policy Act (SEPA)

A Draft Supplemental Environmental Impact Statement (SEIS) was published on March 23, 2007 with a comment period that extended through April 23, 2007. This document supplemented the Final Environmental Impact Statement (EIS) published in 1999 for that update of the Overlake Neighborhood Plan. A Final SEIS is targeted for publication in June 2007.

A Planned Action has been in effect for the Overlake Neighborhood since the 1999 update. That Planned Action will be updated in the second phase of this project anticipated to occur in 2008.

D. 60-Day State Agency Review

State agencies were sent 60-day notice of this proposed amendment on May 18, 2007.

E. Public Involvement

The public has opportunities to comment on the proposed amendment through the Planning Commission review process and public hearing scheduled for May 30, 2007. A number of opportunities were available to the public to provide input on the plan so far, including:

- The public comment period associated with the publication of the Draft SEIS in March 2007;
- Two open houses held in November 2006 and March 2007;
- Two online surveys available in December 2006 and April 2007 associated with the respective open houses;
- A two-day public design workshop held in May 2006; and
- A number of one-on-one meetings and focus groups with neighborhood stakeholders held in spring 2006, winter 2006/07, and spring 2007.

F. Appeals

RCDG 20F.30.55 identifies Development Guide Amendments as a Type VI permit. Final action is held by the City Council. The action of the City Council on a Type VI proposal may be appealed by filing a petition with the Growth Management Hearing Board pursuant to the requirements

VII. LIST OF EXHIBITS

- Exhibit A: Proposed Amendment to Redmond's Comprehensive Plan and Redmond Community Development Guide, proposed Overlake Master Plan and Implementation Strategy**
- Exhibit B: Draft Supplemental Environmental Impact Statement (SEIS)**
- Exhibit C: Overlake Study Area Map**
- Exhibit D: Overlake Urban Center Map**
- Exhibit E: November 2006 and March 2007 Survey Responses, and Summary of Focus Group Meetings***
- Exhibit F: Report on Existing Conditions and Opportunities and Challenges to Redevelopment***
- Exhibit G: Existing Conditions Supplement**
- Exhibit H: Correspondence Related to PS Business Parks Property**
- Exhibit I: Overlake Urban Center Concept Plan***

*Distributed previously to Planning Commission and available from the Redmond Planning Department

_____/s/_____/5/17/07_____
Robert G. Odle, Planning Director Date

_____/s/_____/5/17/07_____
Bill Campbell, Interim Public Works Director Date

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